GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:87
ANSWERED ON:23.02.2006
MODERNISATION OF DELHI AND MUMBAI AIRPORTS
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether some officials of Ministry of Civil Aviation and Airports Authority of India expressed serious concern over the evaluation process of bids for modernisation and privatisation plan of Delhi and Mumbai airports;

(b) If so, the details thereof;

(c)Whether there have been complaints about short-listing of bidders and the matter was referred to an Expert Committee;

(d) If so, whether the Expert Committee reviewed the whole process;

(e) If so, the details alongwith the findings thereof;

(f) The details of bidders who have been finally selected and allocated the work alongwith terms and conditions stipulated in the contracts;

(g) The total expenditure likely to be incurred on modernisation of these airports and percentage of FDI involved in this regard; and

(h) The time by which these airports are likely to be handed over to the selected bidders alongwith time schedule fixed for completion of works?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a),(b),(c),(d),(e),(f),(g)&(h):- A Statement is laid on the table of the House.

STATEMENT IN REPLY TO PARTS (a),(b),(c),(d),(e),(f),(g) &

(h) OF THE LOK SABHA STARRED QUESTION No.87 FOR 23.2.2006 REGARDING MODERNISATION OF DELHI AND MUMBAI AIRPORTS.

(a)&(b):- Different views expressed during the deliberations of the Inter-Ministerial Group (IMG) regarding the evaluation done by a composite group of Consultants.

(c):- The Empowered Group of Ministers (EGOM) constituted for this purpose referred the matter to a Committee of Secretaries, who further referred the matter to a Group of Eminent Technical Experts.

(d):- The Group of Eminent Technical Expert reviewed and moderated the scores of all bidders and submitted their recommendations accordingly.

(e):- The Group inter-alia pointed out that only one bidder is technically qualified and their financial bids should be opened for both IGI Airport, Delhi and CSI Airport, Mumbai.

(f):- GMR Consortium consisting of GMR Infrastructure Limited, GMR Energy Limited, GVL Investments Pvt. Limited, Fraport AG Airport Services World wise, Malaysia Airports

(Niaga) Sdn. Berhad and India Development Fund has been selected as Joint Venture Partner for Delhi airport and GVK Consortium consisting of GVK industries Limited, Airports Company South Africa and Bidvest Group Limited for Mumbai airport.The Joint Venture Companies (JVCs) will be operating, managing and developing Delhi and Mumbai airports for a period of 30 years with an option of extension of the term for an additional 30 years. The JVC are required to submit Initial Development Plan for a period of 20 years, master plan over a period of 20 years and also to maintain certain service quality requirements. Non-compliance of these requirements will attract suitable penalties.

(g):- It has been estimated on preliminary basis that the capital investment to the extent of Rs.7961 crores and Rs.6131 crores will be required for Delhi and Mumbai airports, respectively over a period of 20 years in 4 stages of 5 years each.The Joint Venture

Companies will be subject to a 49% maximum permissible limit of Foreign Direct Investment.

(h):- Within three months from the date of execution of Operation Management and Development Agreement subject to fulfilling the conditions precedent, the Joint Venture Companies will be in possession of Delhi and Mumbai airports.Mandatory Capital Projects of Delhi and Mumbai airports are likely to be completed on or before 31st March, 2010.It may also be pointed out that one of the bidders has filed a case in the Delhi High Court against the bidding process and the matter is presently sub-judice.